

Message Text

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PAGE 01 STATE 048689

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S E C R E T STATE 048689

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FOLLOWING REPEAT STATE 048689 ACTION TEHRAN INFO TREASURY
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QUOTEL

S E C R E T STATE 048689

TREASURY/SHULTZ; COMMERCE/DENT; DEFENSE/CLEMENTS; AEC/RAY

E.O. 11652: GDS

TAGS: PFOR, IR

SUBJECT: U.S.-IRANIAN COOPERATION

REF: STATE 43366 (NODIS)

FOR AMBASSADOR FROM SECRETARY

1. FYI: AS FOLLOW UPTO MY MESSAGE TO THE SHAH (REFTEL)
I BELIEVE IT DESIRABLE TO MOVE QUICKLY TO GIVE SUBSTANCE
TO THE CONCEPT OF DEEPENING AND BROADENING OUR TIES WITH
IRAN, PARTICULARLY IN THE ECONOMIC/TECHNOLOGICAL FIELDS.
THERE ARE SEVERAL REASONS:

SECRET

SECRET

PAGE 02 STATE 048689

A. WE WILL WANT TO DRAW IRAN INTO INTENSIVE DIALOGUE ON HOW OUR TIES CAN BE FURTHER STRENGTHENED WHICH WILL PROVIDE THEM WITH ALTERNATIVES TO THE BILATERAL BARTER ARRANGEMENTS THE EUROPEANS AND JAPAN ARE DISCUSSING IN WHICH TECHNOLOGY AND HELP WITH INDUSTRIALIZATION ARE TRADED FOR GUARANTEED OIL SUPPLY AT SPECIFIED PRICES.

B. WE NEED TO REINFORCE AND HIGHLIGHT THE IMPORTANCE WE ATTACH TO IRAN AND THE MUTUAL BENEFITS WE BOTH DERIVE FROM THE CLOSEST POSSIBLE COOPERATION ACROSS THE BOARD.

C. WE WANT TO ESTABLISH A FRAMEWORK OF CONSULTATION WITHIN WHICH WE CAN PURSUE A CONSTRUCTIVE DIALOGUE BILATERALLY WITH RESPECT TO OIL SUPPLY. SHOULD WE FIND THE NEED TO DO SO IN THE FACE OF FAILURE OF A MULTILATERAL APPROACH.

D. WE WANT TO ESTABLISH A FRAMEWORK OF CONSULTATION WITHIN WHICH WE CAN DISCUSS OUR RESPECTIVE AND MUTUAL STRATEGIC INTERESTS. WE RECOGNIZE THAT IRAN ASPIRES TO A GROWING ROLE IN WORLD AFFAIRS, AND THAT IT ALREADY IS PLAYING AN IMPORTANT REGIONAL ROLE. THE ENHANCEMENT OF OUR MILITARY PRESENCE IN THE INDIAN OCEAN REGION DEMONSTRATES OUR OWN INCREASED INTEREST IN THIS PART OF THE WORLD. WE BELIEVE THAT IT WOULD BE VALUABLE TO BOTH COUNTRIES TO SHARE OUR THOUGHTS NOW TO IDENTIFY SHARED INTENTIONS, TO AVOID ANY POSSIBLE MISUNDERSTANDINGS, AND TO MINIMIZE ANY POSSIBLE FRICTION THAT MIGHT ARISE FROM DIFFERING PERCEPTIONS AND INTENTIONS.

2. WHILE WE WANT TO MOVE QUICKLY TO GIVE SUBSTANCE TO THIS CONCEPT, WE ALSO WISH TO AVOID CONVEYING AN IMPRESSION OF A KNEE-JERK REACTION TO RECENT EUROPEAN APPROACHES TO IRAN OR OTHER ACTIVITIES WHICH LEAD AWAY FROM THE MULTILATERAL APPROACH WE HAVE FAVORED ON A VAST RANGE OF WORLD ECONOMIC/SCIENTIFIC QUESTIONS. WE WOULD WANT RATHER TO INDICATE THAT WE HAVE BEEN GIVING SERIOUS, CAREFUL STUDY TO A NUMBER OF QUESTIONS IRAN HAS RAISED WITH US IN THE RECENT PAST AND THAT WE ARE NOW PREPARED TO DISCUSS IN DEPTH WHAT WE MIGHT USEFULLY DO TOGETHER.

SECRET

SECRET

PAGE 03 STATE 048689

IN OTHER WORDS, WE ARE ADOPTING THE POSTURE OF RESPONDING TO THEIR PRIOR INDICATIONS OF INTEREST. WHILE YOU ARE IN THE PROCESS OF SOUNDING OUT THE IRANIANS ON THIS CONCEPT AND THE PROCEDURES WE MIGHT FOLLOW, WE WILL BE PRESSING FORWARD HERE ON DEVELOPING CONCRETE DETAILS OF SOME OF THE PROPOSALS WE MIGHT EVENTUALLY MAKE. ANY THOUGHTS YOU MAY HAVE WOULD OF COURSE BE MOST WELCOME. END FYI

3. YOU ARE TO SEEK AN AUDIENCE WITH THE SHAH AT THE EARLIEST OPPORTUNITY AS A FOLLOW-UP TO MY MESSAGE TO HIM. YOU ARE TO EMPHASIZE OUR DESIRE TO BROADEN AND DEEPEN THE VERY CLOSE AND SATISFYING RELATIONS THAT ALREADY EXIST BETWEEN OUR TWO COUNTRIES, AND PROPOSE THAT WE BEGIN THIS PROCESS BY BOTH SIDES MEETING AT THE CABINET LEVEL TO BEGIN DISCUSSION OF SPECIFIC AREAS OF FURTHER COOPERATION. WE WOULD WELCOME DESIGNATION BY HIS MAJESTY OF THE CABINET OFFICER HE DEEMED MOST SUITABLE FOR THIS PURPOSE.

4. FOLLOWING THEMES SHOULD BE BASIC TO YOUR PRESENTATION:

A. WE HAVE BEEN DEEPLY INTERESTED IN IRANIAN PROPOSALS RECENTLY FOR ENHANCING US-IRANIAN RELATIONSHIPS IN THE ECONOMIC/TECHNOLOGICAL FIELDS. WE THINK THAT DEEPENING THIS RELATIONSHIP WOULD GIVE BALANCE AND PERSPECTIVE TO THE VERY CLOSE AND HIGHLY SATISFACTORY RELATIONSHIPS WE HAVE IN THE POLITICAL/MILITARY FIELDS.

B. WE HAVE BEEN GRATIFIED BY THE INCREASINGLY SIGNIFICANT ROLE IRAN HAS PLAYED IN REGIONAL AFFAIRS AND ITS WILLINGNESS TO ASSUME RESPONSIBILITIES ON GLOBAL ISSUES AS WELL. OUR INTEREST IN ENHANCING OUR BILATERAL RELATIONS WITH IRAN THEREFORE STEMS FROM OUR DESIRE TO FACILITATE OUR AND IRAN'S ABILITY TO MEET OUR INTERRELATED RESPONSIBILITIES. WE ARE NOT TALKING ABOUT A SIMPLE TRADE-OFF OF GOODS AND SERVICES FOR OIL WHICH HAS CHARACTERIZED SOME RECENT BILATERAL ARRANGEMENTS.

C. WE ENVISAGE AN INITIAL CABINET LEVEL MEETING WHICH WILL PERMIT BOTH SIDES TO IDENTIFY WITH SOME PRECISION SPECIFIC AREAS IN WHICH WE BELIEVE OUR COOPERATIVE TIES MIGHT BE STRENGTHENED. THIS MEETING MIGHT BE FOLLOWED
SECRET

SECRET

PAGE 04 STATE 048689

BY THE FORMATION OF A COMMISSION, SEVERAL COMMISSIONS, OR WORKING GROUPS WHICH WOULD PROCEED TO EXAMINE IN DETAIL THE SPECIFIC AREAS OF MUTUAL INTEREST IDENTIFIED AT THE CABINET LEVEL MEETING.

5. FOR THE SAKE OF ILLUSTRATION YOU MIGHT SUGGEST THE FOLLOWING AS THE KINDS OF SUBJECTS WE BELIEVE MIGHT BE DISCUSSED:

A. WE ARE AWARE OF AND SYMPATHETIC TO THE IRANIAN INTEREST IN BUILDING ON EXPERIENCE IN THE PETROLEUM FIELD TO DEVELOP A CAPABILITY IN THE BROADER ENERGY FIELD. WE WOULD BE PREPARED TO ASSIST IRAN IN INVESTING IN U.S.-INDUSTRIES DEVELOPING NEW CONCEPTS OF NUCLEAR BREEDER REACTORS. EFFICIENT BREEDER REACTORS PROMISE TO BE A

MAJOR ELEMENT IN MEETING WORLD ENERGY NEEDS INTO THE NEXT CENTURY.

B. GOI PLANS FOR INITIAL NUCLEAR POWER INSTALLATIONS REPORTEDLY CALL FOR INCLUSION OF WATER DESALINIZATION FACILITIES. USG AND INDUSTRY HAS CONSIDERABLE EXPERTISE IN THIS FIELD WHICH CAN BE PUT AT GOI DISPOSAL. THIS EXPERTISE INCLUDES STUDY CONDUCTED BY USG IN CONJUNCTION WITH PLAN ORGANIZATION IN 1967 (PUBLISHED 1968) FOR DESALINIZATION PROJECT FOR BANDAR ABBAS WHICH WAS NEVER IMPLEMENTED BUT MAY STILL BE PERTINENT. USG CAN INTRODUCE GOI TO APPROPRIATE FIRMS AND, IF DESIRED, PROVIDE USG ADVISORY/CONSULTATIVE SERVICES.

C. THE NEW BILATERAL SCIENCE AND TECHNOLOGY AGREEMENT WHICH IS NOW BEING NEGOTIATED COULD BE RESTRUCTURED TO PROVIDE A MECHANISM FOR IMPROVED COOPERATION IN RESEARCH IN FIELDS OF INTEREST TO IRAN, WHICH MIGHT INCLUDE SOLAR POWER AND ARID LANDS TECHNOLOGY.

D. WE ARE PREPARED TO BE AS HELPFUL AS POSSIBLE IN PROVIDING ADVICE AS TO HOW AND WHERE IRAN MIGHT INVEST IN THE U.S. WE RECOGNIZE IRAN'S SPECIAL INTEREST IN NEW GENERATIONS OF ADVANCED TECHNOLOGY (E.G., RADAR) AND ARE PREPARED TO CONSIDER INVESTMENT IN THESE AREAS. THERE ARE, OF COURSE, LIMITATIONS ON FOREIGN INVESTMENT
SECRET

SECRET

PAGE 05 STATE 048689

IN KEY DEFENSE INDUSTRIES.

E. WE WOULD LIKE TO BE HELPFUL TO IRAN IN PROVIDING THE INDUSTRIAL RAW MATERIALS WHICH IRAN NEEDS TO IMPORT. AS WE HAVE EXPLAINED PREVIOUSLY, SUPPLIES OF MANY OF THESE MATERIALS ARE TIGHT, AND THE U.S. GOVT CANNOT COMMIT U.S. INDUSTRY. HOWEVER, WE ARE PREPARED TO MAKE EVERY EFFORT TO INFORM IRAN AS TO AVAILABILITIES, TO SEE THAT U.S. INDUSTRIES ARE FULLY INFORMED OF IRANIAN NEEDS, AND TO ENCOURAGE U.S. COMPANIES TO BE AS RESPONSIVE AS POSSIBLE TO IRANIAN REQUESTS.

6. IN SUM, OUR PURPOSE AT THIS POINT IS TO GET IRANIAN AGREEMENT TO THE CONCEPT OF A HIGH LEVEL DISCUSSION OF AREAS IN WHICH WE MIGHT BROADEN AND DEEPEN OUR TIES AND THE ESTABLISHMENT OF SOME APPROPRIATE MECHANISM BY WHICH WE COULD PURSUE DETAILED DISCUSSION OF THIS MATTER. WE ARE ENTIRELY FLEXIBLE ON THE VENUE FOR SUCH A MEETING AND THE NUMBER AND LEVEL OF PEOPLE THAT MIGHT ATTEND IT BELOW CABINET LEVEL. IF YOU BELIEVE THE FOREGOING SHOULD BE REDUCED OR EXPANDED IN CONCEPT OR SUBSTANCE, PLEASE ADVISE BEFORE APPROACHING THE SHAH. KISSINGER

UNQUOTE KISSINGER

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